HCC – Quiz 17 – Chapter 12 – 4-19-17  
  
Public Policy in Texas  
  
1. Which of the following is not true about recent state budgets?   
a. Each budget is a record for spending.   
b. State costs tend to go up due to inflation.   
c. State costs have accelerated due to population increases.   
d. Demands for state services have decreased over time.   
  
2. The income tax became available to the national government with the ratification of which amendment to the U.S. Constitution?   
a. Thirteenth   
b. Fourteenth   
c. Fifteenth   
d. Sixteenth   
  
3. Broad-based taxes collected on the retail price of most items are called   
a. general sales taxes.   
b. ad valorem taxes.   
c. user taxes.   
d. hidden taxes.   
  
4. Selective sales taxes in Texas are   
a. applied to liquor sales.   
b. applied to real estate sales.   
c. not considered a hidden tax.   
d. all of the above.   
  
5. Texas’s largest single individual revenue source is   
a. general sales tax.   
b. selective sales tax.   
c. federal funds.   
d. gross receipts taxes.   
  
6. All the following items have a hidden tax included in their prices except   
a. cigarettes.   
b. alcohol.   
c. gasoline.   
d. real estate.   
  
7. What is Texas’s general sales tax on retail purchases?   
a. 6.25 percent   
b. 7.25 percent   
c. 8.25 percent   
d. 9.25 percent   
  
8. The general sales tax yielded what percentage of the state’s revenue?   
a. 6.25   
b. 26.2   
c. 4.5   
d. 3.4   
  
9. What taxes are the major source of revenue for virtually all local government, cities, counties, and special duties?   
a. Property   
b. Ad valorem   
c. Severance   
d. Selective sales   
  
10. Which of the following has occurred because of Texas’s state government-imposed mandates on local governments?   
a. Both state and local taxes have remained high.   
b. State taxes have remained high, but local taxes are lower than in many states.   
c. State taxes have remained low, but local taxes are higher than in many states.   
d. Texas does not impose unfunded mandates on local governments.   
  
11. Ad valorem means   
a. “according to the location.”   
b. “according to the homestead.”   
c. “according to value.”   
d. “according to the square mileage.”   
  
12. Which of the following has the authority to determine the property tax rate on real property in a county?   
a. The county   
b. The commissioners’ courts   
c. Trustee boards   
d. The central appraisal district   
  
13. A tax imposed with the intent of exerting social or economic control by reducing taxes on approved behaviors or imposing higher taxes on undesirable activities is   
a. a broad-based tax.   
b. regulatory tax.   
c. tax rate.   
d. tax base.   
  
14. Which of the following does not fall under the category of the benefits-received principle?   
a. The 20-cent-per-gallon tax on gasoline   
b. License plate fees   
c. Tuition at state universities   
d. Local school taxes   
  
15. Which of the following is an example of tax shifting?   
a. As taxes on businesses rise, businesses raise their prices   
b. As property taxes increase, landlords raise rents   
c. Businesses making their taxes consumer taxes   
d. All of the above   
  
16. Which of the following income groups in Texas paid the highest percentage in effective taxes?   
a. Lower   
b. Middle   
c. Upper middle   
d. Upper   
  
17. General obligation bonds cannot be used for which of the following?   
a. Higher education bonds financed by tuition revenue   
b. Prison construction   
c. Real estate programs for veterans   
d. Water development   
  
18. State bonds that are repaid with the revenues from the service they finance are called   
a. proprietary bonds.   
b. general obligation bonds.   
c. revenue bonds.   
d. none of the above; Texas can never borrow money.   
  
19. The State Board of Education does all of the following except   
a. making routine managerial decisions.   
b. establishing guidelines for operating public schools.   
c. requiring cost accounting and financial reports from local districts.   
d. setting curriculum standards. 